INTRODUCTION TO PAYROLL/PERSONNEL (PR-INTRO-1)

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TABLE OF CONTENTS

INTRODUCTION TO PAYROLL/PERSONNEL

OVERVIEW

The Payroll & Personnel module allows the entry of employee information, including job information, salaries, deductions, health insurance selections, and accruals (leave balances). Payrolls are generated, which print payroll checks for employees, take out deductions, and disburse the vendor payroll. W-2's are printed from this module, as well as various government-required reports such as the Quarterly 941 and Unemployment Reports and Monthly CERS Report.

MUNIS Payroll/Personnel User Guide Organization

The MUNIS Payroll/Personnel User Guide is divided into various sections. This *Introduction to Payroll/Personnel* document is designed as a short overview of the entire module. It includes a list of payroll/personnel terms and descriptions of the various types of employee payroll records. Next, a checklist of the tasks needed to add a new employee to the payroll system is provided in the *New Employee Checklist*. The *Processing & Reporting Calendar* contains a series of checklists, outlining processes done monthly, quarterly, at the start and end of the school year, etc. Finally, the *Payroll Auxiliary Files Checklist* lists all the tasks required to set up the payroll system. Together, these four documents comprise the *Payroll/Personnel Overview* section. The remaining sections contain detailed procedures.

The *Regular Payroll/Personnel Processing* section contains documents on the various record types every employee must have. It also includes procedures on entering employee accrual history (earned and used leave time), processing health insurance escrow, and processing a payroll. These documents are grouped together as tasks that are done frequently and on a regular basis.

The *Periodic Payroll/Personnel Processing* section contains procedures on tasks that are done at certain times of the year. For example, while the monthly health insurance remittance is processed monthly, W-2's are processed once a year, at the end of January.

The *Payroll/Personnel Setup & Administration* section deals with tasks that are not performed regularly or cyclically, but usually only once. The Finance Officer or a designate usually handles these duties, ensuring the correct setup of the payroll module and its various parts.

The *Personnel/Payroll Reports* section is further broken into MUNIS, Statewide, and IQ Reports. Report samples as well as instructions for processing the reports are included in the procedures.

PAYROLL/PERSONNEL TERMINOLOGY

Accruals:

? ? Any type of leave an employee earns/uses (e.g., vacation, sick leave, etc.). MUNIS allows the user to specify how and when each employee may earn/use leave time.

Accumulators:

? ? Running totals of Employee/Employer Contributions and gross wages for each Earning and Deduction type. Employee accumulators are maintained for each month, quarter, year, and fiscal year an employee is paid. Accumulators are automatically updated during the payroll process and used in many payroll reports.

Group/BU Codes:

? ? Represent classifications or groupings of employees. Every employee must be linked to a Group Code. Group/BU Codes are maintained from the state level. The following are the state-maintained Group/BU Codes:

Group/BU Code	Description
CERT	Certified Personnel
CLAS	Classified Personnel
BRDM	Board Member
STDT	Student Employee
PARA	Para-Professional
SUBS	Substitute Personnel

Ethnic Codes:

Represent classifications or groupings of employees. Every employee must be linked to an Ethnic Code. Ethnic Codes are maintained from the federal level. The following are the maintained Ethnic Codes:

Code	Short Desc	Long Description
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1	WHITE	WHITE, NOT OF HISPANIC ORIGIN
2	BLACK	BLACK, NOT OF HISPANIC ORIGIN
3	HISPANIC	HISPANIC
4	ASIAN	ASIAN OR PACIFIC ISLANDERS
5	AMERICAN	AMERICAN INDIAN OR ALASKAN NATIVES
6	OTHER	OTHER

Job Class Codes compared to Summary Class Codes:

? ?Describe the type of job an employee performs, establishing default information pertaining to all the possible jobs a district employee may work. Also referred to as a job title. Examples include teacher, superintendent, principal, and bus driver.

? ?All Kentucky statewide payroll reports use **Summary Class Codes.** School districts maintain their own **Job Class Code** files. **Job Class Codes** summarize back to the state maintained Summary Class Codes. This allows the districts to add new, district-specific **Job Class Codes**, while still retaining consistency in reporting and the ability to aggregate and compare data received by the state. It is important to plan adequately before adding additional Job Class Codes. The ranges for Summary Class Codes are listing below:

Summary Class Codes	Description
0010-3999	Certified Summary Classes
5000-5999	Certified Extra Service Summary Classes
7000-7999	Classified Summary Classes

If adding additional Job Class Codes, the following guidelines must be followed. If statewide reporting requires additional Summary Class Codes, ranges referenced above will be maintained. School districts that add Job Class Codes outside of the

ranges listed below, could find that the added Job Class Codes might be overwritten. These ranges are provided so that the school districts will know the numbers that can be used without concern for losing data.

Job Class Codes	Description
4000-4999	Additional Certified Job Class Codes
6000-6999	Additional Certified Extra Service Job Class Codes
8000-8999	Additional Classified Job Class Codes

Pay Frequency:

? ?Frequency in which an employee is paid. For example: weekly, biweekly, monthly, semi-monthly, annually, semi-annually.

Pay Type Codes:

? ?Correspond to each type of pay that a district employee is eligible to receive (regular, overtime, sick pay, stipend, etc.). The Pay Type Code is linked to employees to create Employee Recurring Pay Records. A list of standard Pay Types is included as an appendix in the ***Setting Up Pay Type Codes*** document in the ***Setup & Administration*** section.

Summary Classes:

? ?Summary Class Codes instead of Job Class Codes (See above Job Class Code listing) are being used to provide school districts with a flexibility of payroll generation. Prior to 1999, Job Class Codes were assigned by the KDE Division of School Finance. This restriction allowed for consistency in reporting and the ability to aggregate and compare data received by the state. Unfortunately, it also limited districts in their ability to use the Job Class Code field for district purposes.

? ?The development of Summary Classes allows statewide payroll reports to use these codes instead of the Job Class Codes. The field Summary Class on the Job Class Code table is be populated with the current statewide standard Job Class Codes. Districts are now able to add new Job Class Codes, assigning them the Summary Class which matches the statewide standards. If your district does not need additional Job Class Codes, this enhancement should be invisible to you. However, if additional Job Class Codes would be a useful feature, it is important to plan before adding any new codes.

? ?This new functionality greatly benefits the districts that use Job Pay for payroll generation. Summary Class Codes allow employees that could not be entered to Job Pay Files, to be added to Job Pay which reduces manual intervention.

? ?**Summary Class Codes** are not to be accessed by the school districts; these codes are state-maintained. The ranges for different groups of employees are the same as for Job Class Codes. See the Job Class Code definition above. When the state adds Summary Class Codes, the school districts are notified and the school districts add the Job Class Codes to their files for future use. These new Job Class Codes are attached to the state maintained Summary Class Codes.

EMPLOYEE PAYROLL RECORDS

Following are descriptions of the various types of employee payroll records that must be set up for employees to receive paychecks. Detailed instructions on adding and updating records are contained in the appropriate documents in the ***Regular Payroll/Personnel Processing*** section.

Employee Master File Records

Before an employee can receive a paycheck, a master file record (among other records) must be added. The master file record must also be updated with any changes to ensure accurate payroll records. The three screens of the employee master file record need to be filled out accurately and completely for each individual employee. Correct and up-to-date information will decrease the number of manual changes to Start-of-Year and End-of-Year reports such as CSD, PSD, and CERS.

Information found on the employee master file record includes employee number, social security number, job-related information such as job class and location, a variety of important dates such as birth and hire, address, and emergency contacts.

Employee Recurring Pay Records

MUNIS is an exceptions-based payroll system, where repetitive input and changes are kept to a minimum. Each employee's normal earnings are added to the Job Pay file. This Job Pay record creates a recurring pay record. Each payroll, these records are automatically copied to the payroll file as a starting point for payroll. Changes to the regular pay, such as overtime and sick time, can be entered without affecting the recurring pay records.

Before an employee can receive a paycheck, a recurring pay record (among other records) must be added by adding a Job Pay record. For each employee, add a Job Pay record for every type of pay they are eligible to receive. Completed Job Pay records create completed recurring pay records. The result is less manual process required for completing a payroll.

Information found on the Job pay record includes job class, pay type, pay frequency, and salary amounts (i.e., period pay, monthly salary, hourly rate).

Employee Job Pay Records

Job Pay is used to establish and maintain employee job assignments and pay rates/salaries. When adding a new employee or when updating the employee's job or salary data, this program is used in conjunction with various other programs. It is intended to automate areas of employee job and salary maintenance. An example of this automation is setting employee's job definitions and authorized pay rates and/or salaries, which can be maintained over time by a combination of mass-processing functions and individual employee maintenance functions.

Information found on the job pay record includes job class, pay type, pay frequency, rank, years of experience, and salary amounts (i.e., period pay, monthly salary, hourly rate).

Employee Deduction File Records

Each employee's scheduled deductions are preset in the deduction records file. Each payroll, these records are automatically copied to the payroll file as a starting point. Changes to the regular deductions can be entered without affecting the deduction records. For example, if an employee cannot cover all their deductions in a particular payroll, a deduction, usually an annuity or credit union savings plan, could be deleted or lowered.

Before an employee can receive a paycheck, a deduction file record (among other records) must be added. For each employee, add a deduction record for every non-health insurance deduction subject to the employee's earnings. (Health insurance enrollment records are processed differently from other deductions. See the health insurance enrollment records section below.) The more complete these records are, the less work is needed to process payrolls.

Information found on the employee deduction file record includes the start and end dates, employee and employer amounts/percentages of pay, and the cycles the deduction is taken.

Employee Health Insurance Enrollment Records

The MUNIS Health Insurance System allows districts to automatically calculate and generate employee deductions for health care coverage and create the vendor remittance files in the MUNIS application. The integration of health insurance functions within MUNIS simplifies the yearly open enrollment process as well as the ongoing maintenance of health insurance and flexible spending account deductions for district employees.

Health insurance enrollment records are entered in two different and distinct ways:

1. as part of the open enrollment process, which is discussed in the *Health Insurance Open Enrollment* document in the *Periodic Payroll/Personnel Processing* section,

2. as individual employees are hired during the year, which is covered in *Maintaining Employee Health Insurance Records* in the *Regular Payroll/Personnel Processing* section. This document also discusses instructions for updating records due to qualifying events.

Checklist for Processing Health Insurance

☐ 1. Prepare MUNIS for Health Insurance Open Enrollment. Refer to *Setting Up Health Insurance* in the *Payroll/Personnel Setup & Administration* section.

☐ 2. Enter employees in the Health Insurance System during Open Enrollment. Create health insurance payroll deductions for the health care coverage selected. Refer to *Health Insurance Open Enrollment* in the *Periodic Payroll/Personnel Processing* section.

☐ 3. Perform maintenance on employee health insurance records after Open Enrollment. Create health insurance payroll deductions for the updated employees. Refer to *Maintaining Employee Health Insurance Deductions* in the *Regular Payroll/Personnel Processing* section.

☐ 4. After the vendor payroll has been run to cut checks for the health insurance vendors, generate and edit the monthly remittance file. Refer to *Processing Monthly Health Insurance Remittance File* in the *Periodic Payroll/Personnel Processing* section.

Employee Accrual File Records

The accruals process, in MUNIS, establishes the types of accruals granted to district employees and the rules that apply to earning and using accruals. Employees accrue leave time as a benefit of their employment. All accrual activity for each employee can be entered and reported using MUNIS. When appropriate, accrual earnings can be mass posted for groups of employees. Finally, End-of-Year employee accrual balances can be handled in accordance with predefined rules and Start-of-Year accrual balances established for groups of employees.

NOTE: *Employees with a status of "Inactive" will not be included in accruals mass posting or end-of-year processing.*

Accruals balances (Vacation, Sick Leave, etc.) and current period Earned/Used amounts may be automatically printed on employee payroll checks during Payroll Processing.

The accruals process, in MUNIS, requires that employee data be established in and coordinated between payroll and accrual functions to work properly. If **ANY** of the required information is missing or incorrect, an employee may be skipped during processing, or the process may not produce the expected results.

Checklist for Processing Accruals

☐ 1. Prepare MUNIS for accruals processing. Refer to *Setting Up Accruals* in the *Payroll/Personnel Setup & Administration* section.

☐ 2. Add employee Accrual Records, to allow employees to earn, or accrue, various types of leave. Refer to *Maintaining Employee Accrual Records* in the *Regular Payroll/Personnel Processing* section.

☐ 3. Maintain Accruals Earned/Used History, which records the accrual amounts employees have earned and used. Refer to *Maintaining Employee Accrual History* in the *Regular Payroll/Personnel Processing* section.

☐ 4. Process accruals at year-end for End of Year Codes Z, C, and L only. See *Processing Accruals at Year End* in the *Periodic Payroll/Personnel Processing* section.

☐ 5. Mass post accruals for all accruals. See *Mass Posting Accruals* in the *Periodic Payroll/Personnel* section.

? ?**The *Employee Accruals Report* can be printed at any point during the cycle. This report prints year-to-date accrual activity for each employee. It lists accruals earned and used, as well as the accrual balance, for any or all accrual types.